

REMARKS

This is a Response to the Office Action mailed February 4, 2005, in which a three (3) month Shortened Statutory Period for Response has been set, due to expire May 4, 2005. Thirty-eight (38) claims, including six (6) independent claims, were paid for in the application. Claims 1, 6, 14, 15, 28-34, 37, and 38 have been previously canceled. Claims 21 and 35 are currently amended. No claims have been added or canceled. No new matter has been added to the application. No fee for additional claims is due by way of this Amendment. The Director is authorized to charge any additional fees due by way of this Amendment, or credit any overpayment, to our Deposit Account No. 19-1090. Claims 2-5, 7-13, 16-27, 35-36, and 39 are pending.

Rejections Under 35 U.S.C. § 103

The Examiner rejected claims 2-5, 7-13, 18, 20-23, 25-27, 29, 31, 32, 35 and 39 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,508,709 issued to Karmarkar in view of U.S. Patent No. 5,830,068 issued to Brenner et al. ("Brenner"). Applicants note that claims 31 and 32 were previously canceled. Of particular interest in the Section 103 rejection is that the Examiner analogizes racehorses with primary players in a casino, stating that Brenner "concerns betting on the performance of primary players (racers) by secondary players" and that Brenner teaches "automatically gathering statistics about a primary player that are based at least in part on the number of games previously won and lost." Applicants respectfully traverse these rejections.

A Racehorse Is Not a Primary Player

Applicants submit that the racehorse of Brenner is not analogous to the primary player of Applicants' claims, but instead functions in the same way as the casino game. In a casino environment, the casino game (*e.g.*, blackjack, roulette, craps, etc.) is the event or activity that encourages a wager to be made and a primary player is the casino patron that initiates the placement of the wager (*i.e.*, typically in the form of gaming chips) at a gaming table in prediction of an outcome of the event, which is a hand of cards such as blackjack. In Brenner,

the racehorse is the event or activity that encourages the wager to be made and the primary player is the person that initiates the placement of the wager while being either physically at the racetrack or by using a remote wagering terminal, where the wager is placed in prediction of the outcome of the event, which is the horse race. Brenner does not teach or suggest that the racehorse is the primary player. In addition, Brenner does not disclose a secondary player and does not teach, suggest, or provide any motivation for a secondary player placing a wager, the outcome of which is based on the determined outcome of the primary wager that was placed by the primary player.

The Examiner acknowledges that Karmarkar does not teach transmitting the statistics to the secondary player so that the secondary wager can be placed after viewing the statistics. Applicants submit that this statement by the Examiner in addition to the fact that Brenner does not even disclose a secondary player nullify the Examiner's *prima facie* case of obviousness. Consequently, Applicants request that the Section 103 rejection be withdrawn and that all pending claims be allowed.

Improper Combination of References

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either explicitly or implicitly in the references themselves or in the knowledge generally available to one of ordinary skill in the art. MPEP § 2143.01. The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. *Id. citing In re Mills*, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990)

Applicants submit that there is no teaching, suggestion, or motivation to combine Karmarkar with Brenner, and that one of skill in the art would not be motivated to combine a casino-style wagering reference with a horse track wagering reference. The test for determining whether references should be combined depends on (1) whether the nature of the problem to be solved as a whole would have suggested the combination to those of ordinary skill in the art; (2) the subject matter taught in the respective references; and (3) the knowledge of one of ordinary

skill in the art. *Id. citing In re Kotzab*, 217 F.3d 1365, 1370 (Fed. Cir. 2000). See also *In re Lee*, 277 F.3d 1338, 1342-44 (Fed. Cir. 2002); *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988); and *In re Jones*, 958 F.2d 347 (Fed. Cir. 1992).

In the present application, the nature of the problem to be solved is to provide additional wagering opportunities for patrons during busy times, for example when many of the gaming tables are at capacity, and/or to encourage new players to place wagers on games that may have more complicated rules (page 2, lines 3-7). The primary problem to be solved in Karmarkar is to provide a practical, remote casino-type gaming system that would meet state gaming regulations (column 1, lines 56-57). The primary problem to be solved in Brenner is to provide interactive wagering systems and processes that provide racing data to off-track wagering terminals via a medium other than conventional telephone lines (column 2, lines 7-13-16). The nature of Applicants' problem to be solved, as a whole, does not suggest the combination of Karmarkar and Brenner to those of ordinary skill in the art.

The next factor for whether references should be combined is the subject matter taught in the respective references. The subject matter of Karmakar deals with casino-style gaming experiences that can be regulated off-site (column 1, lines 8-11). The subject matter of Brenner, on the other hand, deals with horse racing, namely off-track interactive wagering systems having user terminals for race track wagering, receiving racing videos and racing information via a medium other than conventional telephone lines, and for displaying this information on a television monitor (column 1, lines 6-12). The subject matter disclosed in these references is distinctly different and not even oriented toward a similar problem.

The last factor for whether references should be combined is the knowledge of one of ordinary skill in the art. In the final Office Action dated July 6, 2004, the Examiner stressed that the theoretical odds of any casino game are determined by the structure of the game; therefore there would be no reason to compile statistics on the primary player. The Examiner also argued that the skill of the primary player is insignificant because the primary player, in the long run, cannot do better than the theoretical odds. Thus, the Examiner conceded that it would *not* be obvious to compile statistics on the primary player at a casino because those of ordinary skill in the art believe that the game's threshold limits determine the outcome and do not

appreciate that the skill level of a primary player effects the ability to approach the theoretical and hence effect the outcome. As the Examiner alluded to in the final Office Action, most secondary players would probably just focus on whether the primary player was on a hot or cold streak.

In horse racing, it is known that handicapping information about individual racehorses is compiled and made readily available for wagering purposes. In addition, horse track wagering is not limited by theoretical odds for a particular race. Therefore, in horse racing, and unlike casino-style wagering, the win/loss ratio (*i.e.*, past performance) of a particular horse is an important factor in the handicap formula¹. Accordingly, one skilled in the art would not be motivated to look to combine a reference about horse track wagering (Brenner) with a reference about casino-style wagering (Karmarkar). Consequently, one skilled in the art would not combine Karmarkar and Brenner to produce Applicants' claimed invention.

Based on the foregoing, Applicants submit that it is improper to combine Karmarkar with Brenner to reject Applicants' independent claims under Section 103. Consequently, Applicants respectfully request that the Examiner withdraw the Section 103 rejection and allow the above-cited claims.

Claims 16-19 and 36 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Karmarkar and Brenner, and further in view of U.S. Patent No. 6,532,297 issued to Lindquist. Claims 16-19 and 36 are dependent claims that depend on allowable base claims. Therefore, claims 16-19 and 36 are likewise allowable.

Claims 24 and 30 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Karmarkar and Brenner. For the reasons specified above as to why Karmarkar should not be combined with Brenner, Applicants submit that the Section 103 rejections for claims 24 and 30 should be withdrawn.

¹ The process of handicapping involves evaluating the demonstrated abilities of a horse in light of the conditions under which it will be racing on a given day. To gauge these abilities, handicappers use past performances, detailed published records of preceding races. These past performances indicate the horse's speed, its ability to win, and whether the performances tend to be getting better or worse. <<http://www.mrmike.com/explore/hrhist.htm>>

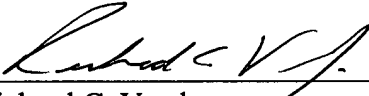
Conclusion

Overall, the cited references do not singly teach or suggest the claimed features of the embodiments recited in independent claims 2, 21, and 35, and thus such claims are allowable. In addition, the Examiner has not established a prima facie case of obviousness because it is improper to combine Karmakar with Brenner based on the test set forth in MPEP § 2143.01. The remaining claims depend from allowable independent claims, and are thus also allowable because they merely include additional limitations.

In light of the above amendments and remarks, Applicants respectfully submit that all pending claims are allowable. Applicants, therefore, respectfully request that the Examiner reconsider this application and timely allow all pending claims. Examiner Coburn is encouraged to contact Mr. Vershave by telephone to discuss the above and any other distinctions between the claims and the applied references, if desired.

Respectfully submitted,

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